

## Management Discussion and Analysis

### RESULTS

During the current year under review, the Group achieved a turnover of HK\$3,370,000 and profit attributable to shareholders of HK\$1,820,000, compared with the turnover of HK\$3,316,000 and profit attributable to shareholders of HK\$2,488,000 recorded in last year. With the fully let out commercial areas of Ever Success Plaza, the Group's rental and related income has slightly increased by 12%. However, the prevailing low interest rate environment during the year has resulted in an unsatisfactory treasury income earned by the Group and an unrealized holding loss on investments in securities. Further, the progress of the Group's property projects in the PRC was slow during the year.

### SEGMENT INFORMATION

The principal activities of the Group are property development and investment.

The following is an analysis of the turnover and contribution to profit of the Group:

	Turnover		Contribution to profit before taxation	
	2004 HK\$'000	2003 HK\$'000	2004 HK\$'000	2003 HK\$'000
Property development and investment				
Sale of completed properties	–	312	–	(7)
Property letting	3,370	3,004	2,350	2,113
	<b>3,370</b>	<b>3,316</b>		
Segment results			<b>2,350</b>	2,106
Other activities			<b>13,468</b>	14,605
Less: Unallocated administrative and other expenses			<b>(13,998)</b>	(14,223)
			<b>1,820</b>	2,488

Notes:

- (i) The Group's property development and investment activities were carried out in Mainland China ("PRC").
- (ii) Other activities comprise mainly of treasury activities, including investments in securities and money market funds operating in the United States of America, European countries and Hong Kong and placement of bank deposits in Hong Kong.

### LIQUIDITY AND FINANCIAL RESOURCES

As at 31st March, 2004, the Group remain cash-rich and has no material bank borrowings, capital expenditure commitments or financial obligations.

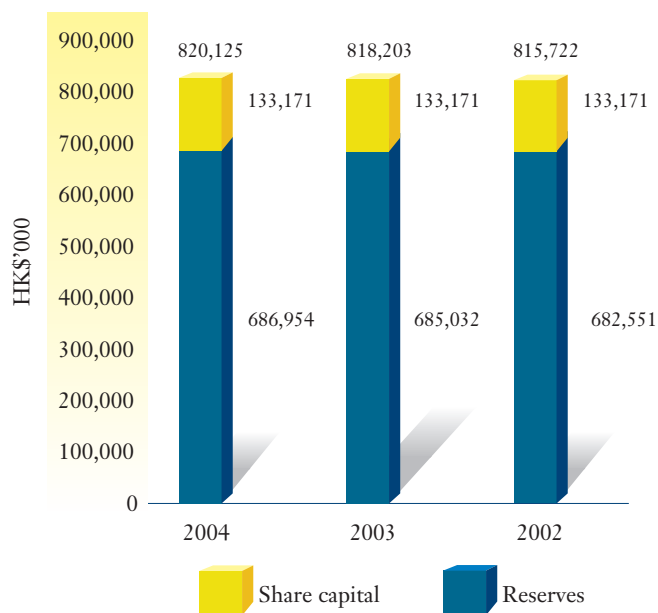
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Cash and other liquid assets of the Group amounted to an aggregate of HK\$592,902,000 and accounted for 81% of total current assets.

Exchange risk of the Group is minimal as the assets of the Group comprised substantially of cash, fixed income notes or money market funds denominated in United States currency which is officially pegged to the Hong Kong currency.

### CAPITAL STRUCTURE

As at 31st March, 2004, the Group had no long term borrowings and its operations were financed entirely by shareholders' funds.



### MAJOR CUSTOMERS AND SUPPLIERS

The aggregate sales attributable to the Group's largest customer and the five largest customers accounted for approximately 56.5% and 60.4% respectively of the Group's turnover for the year. The five largest suppliers of the Group accounted for less than 30% of the Group's total purchases for the year.

During the year, the Group has not made any purchases other than incurring rental outgoings and overhead expenses.

None of the Company's directors, their associates or any shareholders of the Company (who to the best of the knowledge of the Company's directors owned more than 5% of the Company's issued shares) had a beneficial interest in any of the Group's five largest customers and the five largest suppliers.

### STAFF

As at 31st March, 2004, the Group employed 53 staff at market remunerations with staff benefits such as insurance, provident fund scheme, discretionary bonus and share option scheme.